

October 15, 2014

Mr. Bart Fletcher
Public Utility Supervisor
Surveillance Section
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0820

Dear Mr. Fletcher:

Pursuant to Commission Rule 25-6.1352, enclosed please find Duke Energy Florida, Inc.'s Earnings Surveillance Report for the twelve months ended August 31, 2014.

The report includes the Company's actual rate of return computed on an end-of-period rate base, the Company's adjusted rate of return computed on an average rate base, the Company's end-of-period required rates of return, and certain financial integrity indicators for the twelve months ended August 31, 2014. The separation factors used for the jurisdictional amounts were developed from the cost of service prepared in compliance with the Stipulation & Settlement Agreement, Order No. PSC-13-0598-FOF-EI.

If you have any questions, please feel free to contact Marcia Olivier at (727) 820-5653.

Sincerely,

Javier Portuondo

Director Rates & Regulatory Strategy

Maria Oliver For Javier Portuondo

dc

Attachment

xc: Mr. J. R. Kelly, Office of the Public Counsel

DUKE ENERGY FLORIDA RATE OF RETURN REPORT SUMMARY AUGUST 2014

		(1) Actual	(2) FPSC	(3) FPSC	(4) Pro Forma		(5) Pro Forma
	_	Per Books	Adjustments	 Adjusted	Adjustments	_	Adjusted
I. AVERAGE RATE OF RETURN (Jurisdictional)							
Net Operating Income	\$	719,325,772 (a)	\$ (70,267,769) (b)	\$ 649,058,003	\$ (1,430,806)	\$	647,627,198
Average Rate Base	\$	10,439,400,250	\$ (1,456,983,059)	\$ 8,982,417,191	\$ -	\$	8,982,417,191
Average Rate of Return		6.89%		7.23%			7.21
I. YEAR END RATE OF RETURN (Jurisdictional)							
Net Operating Income	\$	714,017,142	\$ (64,959,139)	\$ 649,058,003			
Average Rate Base	\$	10,552,586,437	\$ (1,084,966,399)	\$ 9,467,620,038			
Average Rate of Return		6.77%		6.86%			
(a) INCLUDES AFUDC EARNINGS							
(b) INCLUDES REVERSAL OF AFUDC EARNINGS							
III. REQUIRED RATES OF RETURN	_	Average Capital Structure	End of Period Capital Structure				

B. T.I.E without AFUDC C. AFUDC to Net Income 1.16% (System Per Books ED) Internally Generated Funds C. STD/LTD to Total Investor Funds LT Debt-Fixed to Total Investor Funds ST Debt to Total Investor Funds F. Return on Common Equity 10.97% (FPSC Adjusted Base For Return on Common Equity) 10.94% (Pro Forma Adjusted Base For Funds) 10.94% (Pro Forma Adjusted Base For Funds) 10.94% (Pro Forma Adjusted Base For Funds)		Average	End of Period
Low Point 6.52% 6.45% Mid Point 7.00% 6.92% High Point 7.48% 7.40% 7.40% Pro Forma Adjusted Basis Low Point 6.52% 6.45% Mid Point 7.00% 6.92% High Point 7.00% 6.92% High Point 7.48% 7.40% 7.40% 7.48% 7.40% 7.40% 7.48% 7.40% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40% 7.48% 7.48% 7.40% 7.48% 7.48% 7.40% 7.48% 7.48% 7.40% 7.48% 7.40% 7.48% 7.40%	III. REQUIRED RATES OF RETURN	Capital Structure	Capital Structure
Mid Point 7,00% 6,92% High Point 7,48% 7,40% Pro Forma Adjusted Basis Low Point 6,52% 6,45% Mid Point 7,00% 6,92% High Point 7,48% 7,40% IV. FINANCIAL INTEGRITY INDICATORS A. T.I.E. with AFUDC 4,37 (System Per Books Ba B. T.I.E without AFUDC 4,35 (System Per Books Ba C. AFUDC to Net Income 1,16% (System Per Books Ba D. Internally Generated Funds 70,67% (System Per Books Ba E. STD/LTD to Total Investor Funds 3,45% (FPSC Adjusted Basis, ST Debt to Total Investor Funds 43,45% (FPSC Adjusted Basis, ST Debt to Total Investor Funds 1,22% (FPSC Adjusted Basis, ST Debt to Total Investor Funds 1,097% (FPSC Adjusted Basis, ST Debt to Total Investor Funds 1,097% (FPSC Adjusted Basis, ST Debt to Total Investor, Funds 1,097% (FPSC Adjusted Basis, ST Debt to Total Investor, Funds 1,097% (FPSC Adjusted Basis, ST Debt to Total Investor, Funds 1,097% (FPSC Adjusted Basis, ST Debt to Total Investor, Funds 1,097% (FPSC Adjusted Basis, ST Debt to Total Investor, Funds 1,097% (FPSC Adjuste	FPSC Adjusted Basis		_
High Point 7,48% 7,40%	Low Point	6.52%	6.45%
Pro Forma Adjusted Basis Low Point Mid Point 7.00% 6.92% High Point 7.48% 7.40% IV. FINANCIAL INTEGRITY INDICATORS A. T.I.E. with AFUDC 4.37 (System Per Books Basis B. T.I.E without AFUDC 4.35 (System Per Books Basis C. AFUDC to Net Income 1.16% (System Per Books Basis D. Internally Generated Funds E. STD/LTD to Total Investor Funds LT Debt-Fixed to Total Investor Funds ST Debt to Total Investor Funds 1.22% (FPSC Adjusted Basis) F. Return on Common Equity 10.97% (FPSC Adjusted Basis) 10.94% (Pro Forma Adjusted Basis)	Mid Point	7.00%	6.92%
Low Point 6.52% 6.45% Mid Point 7.00% 6.92% High Point 7.48% 7.40%	High Point	7.48%	7.40%
Mid Point 7.00% 6.92% High Point 7.48% 7.40% IV. FINANCIAL INTEGRITY INDICATORS A. T.I.E. with AFUDC 4.37 (System Per Books Basis) B. T.I.E without AFUDC 4.35 (System Per Books Basis) C. AFUDC to Net Income 1.16% (System Per Books Basis) D. Internally Generated Funds 70.67% (System Per Books Basis) E. STD/LTD to Total Investor Funds LT Debt-Fixed to Total Investor Funds 43.45% (FPSC Adjusted Basis) ST Debt to Total Investor Funds 1.22% (FPSC Adjusted Basis) F. Return on Common Equity 10.97% (FPSC Adjusted Basis)	Pro Forma Adjusted Basis		
High Point 7,48% 7,40% IV. FINANCIAL INTEGRITY INDICATORS A. T.I.E. with AFUDC 4.37 (System Per Books Basis) B. T.I.E without AFUDC 4.35 (System Per Books Basis) C. AFUDC to Net Income 1.16% (System Per Books Basis) D. Internally Generated Funds 70.67% (System Per Books Basis) E. STD/LTD to Total Investor Funds LT Debt-Fixed to Total Investor Funds 43.45% (FPSC Adjusted Basis) ST Debt to Total Investor Funds 1.22% (FPSC Adjusted Basis) F. Return on Common Equity 10.97% (FPSC Adjusted Basis)	Low Point	6.52%	6.45%
IV. FINANCIAL INTEGRITY INDICATORS A. T.I.E. with AFUDC B. T.I.E without AFUDC C. AFUDC to Net Income C. AFUDC to Net Income D. Internally Generated Funds E. STD/LTD to Total Investor Funds LT Debt-Fixed to Total Investor Funds ST Debt to Total Investor Funds F. Return on Common Equity 10.94% (System Per Books Basis) (System Per Books Basis) (System Per Books Basis) (FPSC Adjusted Basis) (FPSC Adjusted Basis) (FPSC Adjusted Basis) (PPSC Adjusted Basis)	Mid Point	7.00%	6.92%
A. T.I.E. with AFUDC 4.37 (System Per Books Basis) B. T.I.E without AFUDC 4.35 (System Per Books Basis) C. AFUDC to Net Income 1.16% (System Per Books Basis) D. Internally Generated Funds 7.067% (System Per Books Basis) E. STD/LTD to Total Investor Funds LT Debt-Fixed to Total Investor Funds ST Debt to Total Investor Funds 1.22% (FPSC Adjusted Basis) F. Return on Common Equity 10.94% (Pro Forma Adjusted Basis)	High Point	7.48%	7.40%
C. AFUDC to Net Income 1.16% (System Per Books Basis) D. Internally Generated Funds 70.67% (System Per Books Basis) E. STD/LTD to Total Investor Funds LT Debt-Fixed to Total Investor Funds 43.45% (FPSC Adjusted Basis) ST Debt to Total Investor Funds 1.22% (FPSC Adjusted Basis) F. Return on Common Equity 10.97% (FPSC Adjusted Basis) (Pro Forma Adjusted Basis)	A. T.I.E. with AFUDC		· . •
D. Internally Generated Funds 70.67% (System Per Books Basis) E. STD/LTD to Total Investor Funds LT Debt-Fixed to Total Investor Funds 43.45% (FPSC Adjusted Basis) ST Debt to Total Investor Funds 1.22% (FPSC Adjusted Basis) F. Return on Common Equity 10.97% (FPSC Adjusted Basis) (Pro Forma Adjusted Basis)			
ST Debt to Total Investor Funds 1.22% (FPSC Adjusted Basis) F. Return on Common Equity 10.97% (FPSC Adjusted Basis) 1.094% (Pro Forma Adjusted Basis)	D. Internally Generated Funds		• •
F. Return on Common Equity 10.97% (FPSC Adjusted Basis) 10.94% (Pro Forma Adjusted Basis)	LT Debt-Fixed to Total Investor Funds	43.45%	(FPSC Adjusted Basis)
10.94% (Pro Forma Adjusted Basis)	ST Debt to Total Investor Funds	1.22%	(FPSC Adjusted Basis)
,	F. Return on Common Equity	10.97%	(FPSC Adjusted Basis)
G. Current Allowed AFUDC Rate 7.44% Docket 100134-El Order PSC		10.94%	(Pro Forma Adjusted Basis)
	G. Current Allowed AFUDC Rate	7.44%	Docket 100134-El Order PSC

I am aware that Section 837-06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775-084

Marcia Oliver for Javer Portrondo 10/15/19

Javier Portuondo, Director Rates & Regulatory Strategy

Date

	Plant in Service	Accum Depr & Amort	Net Plant in Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Net Utility Plant	Working Capital	Total Average Rate Base
System Per Books	\$13,547,142,736	\$4,976,348,684	\$8,570,794,052 \$7,740,474,035	\$120,900,546	\$262,802,464	\$8,954,497,062	\$2,327,633,272	\$11,282,130,334 \$40,430,400,350
Regulatory Base - Retail	\$12,283,365,101	\$4,573,190,166	\$7,710,174,935	\$104,803,847	\$218,959,037	\$8,033,937,820	\$2,405,462,430	\$10,439,400,250
FPSC Adjustments								
ARO	(16,841,368)	(28,334,513)	11,493,145			11,493,145	(10,873,554)	619,591
ECCR	(36,011,997)	(3,049,401)	(32,962,596)		(10,575,197)	(43,537,794)	1,476,403	(42,061,390)
ECRC	(563,044,036)	(44,934,856)	(518,109,180)		(7,054,810)	(525,163,990)	(20,333,465)	(545,497,455)
FUEL	(28,969,228)	(28,100,147)	(869,081)			(869,081)	202,084,431	201,215,350
CCR							(41,771,921)	(41,771,921)
NUCLEAR					(39,242,603)	(39,242,603)	(395,224,117)	(434,466,720)
CR3 Removal							(1,263,720,403)	(1,263,720,403)
Derivatives							7,144,878	7,144,878
Employee Related							(1,563,262)	(1,563,262)
Investments Earning a Return							(126,503,475)	(126,503,475)
Jobbing Accounts							(1,636,903)	(1,636,903)
Non-Regulated and Miscellaneous	(30,238,996)	(32,517,815)	2,278,819			2,278,819	25,131,021	27,409,840
Rate Case Regulatory Asset							(41,662)	(41,662)
Retention Accounts							2,726,711	2,726,711
CWIP - AFUDC					(20,104,137)	(20,104,137)		(20,104,137)
Imputed Off Balance Sheet Obligations							782,197,589	782,197,589
Capital Lease	(165,990,156)		(165,990,156)			(165,990,156)	165,060,466	(929,690)
Total FPSC Adjustments	(841,095,781)	(136,936,732)	(704,159,049)		(76,976,747)	(781,135,796)	(675,847,263)	(1,456,983,059)
FPSC Adjusted	\$11,442,269,320	\$4,436,253,434	\$7,006,015,886	\$104,803,847	\$141,982,290	\$7,252,802,023	\$1,729,615,168	\$8,982,417,191

ECRC (118,676,151) (44,779,508) (9,179,034) (4,173,802) (23,354,774) (81,487,118) (37,186,118) (37,186,118) (10,386,118) (Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
Regulatory Base - Retail (b)	System Per Pecks (a)	¢4 055 120 007	\$2,002,700,256	\$920 677 00E	¢474 E20 442	\$220 042 002	\$200.796.002	\$1.42.042.020	(1 207 000)		\$4.075.292.600	\$770 0 <i>4</i> E 200
FPSC Adjustments ECCR (121,337,260) (111,772,124) (3,591,438) (2,304,354) (117,667,916) (3,666 ECRC (118,676,151) (44,779,508) (9,179,034) (4,173,802) (23,354,774) (81,487,118) (37,188 ECRC (167,469,549) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,032,968) (1,656,712,016) (1,676,916) (• • • •			
ECCR (1(21,337,260) (111,772,124) (3,591,438) (2,304,354) (2,304,354) (117,667,916) (3,666 ECRC (118,676,151) (44,779,508) (9,179,034) (4,173,802) (23,364,774) (81,487,118) (37,176 FUEL (1,676,496,549) (1,666,712,016) (1032,966) (6,520,937) (1,664,266,919) (10,382 CCR (357,310,665) (357,310,665) (357,310,665) (367,070,841) (239,824) (0) (357,310,665) RUCLEAR (166,590,47) (302,962) (145,795,225) (7,121,277) (153,219,463) (11,382,19463) (1	Regulatory Base - Retail (b)	ψ+,300,000,231	Ψ2,020,013,104	ψ/ - 1,03 - ,30 /	ψ ++ 1,030,023	ψ317,300,700	ψ131,233,330	ψ130,310,127	(1,107,373)		ψ3,040,031,140	ψ7 14,017,142
ECRC (121,337,260) (111,772,124) (3,591,438) (2,304,354) (2,304,354) (117,667,916) (3,666,712,016) (111,677,124) (4,4779,50) (9,179,034) (4,173,802) (2,3,364,774) (81,487,118) (37,176,679,165) (111,667,469,549) (1,666,712,016) (1032,966) (6,520,937) (1,664,266,919) (10,382	FPSC Adjustments											
ECRC (118.676,151) (44.779,508) (9,179,034) (4,173,802) (23.354,774) (10.686,712,016) (1,032,906) (1,0	· · · · · · · · · · · · · · · · · · ·	(121,337,260)		(111,772,124)	(3,591,438)		(2,304,354)				(117,667,916)	(3,669,344)
FUEL		` ,		,	,		· ' '				, ,	` ,
CCR	FUEL	, , ,	(1,656,712,016)	` ,	,	,	· ' '					
CORPORATE AIRCRAFT ALLOCATION (2,896,131) (1,117,182 (1,778,948) 1,776 FRANCHISE FEE & GROSS RECEIFTS (207,401,265) (20,006,324) (20,006,324) (20,006,324) (20,006,324) (20,321,891) 123,321 GAIN/LOSS ON DISPOSITION & OTHER (295,526) (20,006,324) (20,006	CCR	(357,310,665)	(357,070,841)	(239,824)							(357,310,665)	(0)
FRANCHISE FEE & GROSS RECEIPTS (207.401,265)	NUCLEAR	(164,559,047)	,	(302,962)	(145,795,225)						(153,219,463)	(11,339,584)
FRANCHISE FEES & GROSS REC TAX - TOI GAINLOSS ON DISPOSITION & OTHER SINST //RPOMOTIONAL ADVERTISING INTEREST ON TAX DEFICIENCY (635,420) (635,420) (635,420) (635,420) (636,420	CORPORATE AIRCRAFT ALLOCATION			(2,896,131)			1,117,182				(1,778,948)	1,778,948
GAIN/LOSS ON DISPOSITION & OTHER	FRANCHISE FEE & GROSS RECEIPTS	(207,401,265)					(80,005,038)				(80,005,038)	(127,396,227)
INST/PROMOTIONAL ADVERTISING (295,526) 113,999 (181,527) 181 INTEREST ON TAX DEFICIENCY (635,420) 206,538 (328,882) 328 INTEREST ON TAX DEFICIENCY (635,420) 206,538 (328,882) 328 INTEREST SYNCHRONIZATION DUES (141,680 (64,653) (63,722) 63 PARENT DEBT ADJUSTMENT (9,320,605) (9,320,605) (9320,605) (9320,605) (9320,605) (9320,605) INTEREST SYNCHRONIZATION - FPSC (11,574,827) (607,490 (18,320,405) (11,188,104 (11,188	FRANCHISE FEES & GROSS REC TAX - TOI					(200,768,240)	77,446,349				(123,321,891)	123,321,891
INTEREST ON TAX DEFICIENCY	GAIN/LOSS ON DISPOSITION & OTHER						207,804			(538,702)	(330,898)	330,898
MISCELLANEOUS INTEREST EXPENSE 141,680 (54,653) (87,027 (87,027 687,027	INST./PROMOTIONAL ADVERTISING			(295,526)			113,999				(181,527)	181,527
REMOVE ASSOC/ORGANIZATION DUES (103,739) (103,730,605) (103,320,605) (1	INTEREST ON TAX DEFICIENCY			(535,420)			206,538				(328,882)	328,882
PARENT DEBT ADJUSTMENT DIRECTORS & OFFICERS PREMIUM DIRECTORS & OFFICERS DIRECTORS & OFFICERS PREMIUM DIRECTORS & OFFICERS DIRECTORS	MISCELLANEOUS INTEREST EXPENSE			141,680			(54,653)				87,027	(87,027)
DIRECTORS & OFFICERS PREMIUM (1,574,827) (607,490 (967,338) 967	REMOVE ASSOC/ORGANIZATION DUES			(103,739)			40,017				(63,722)	63,722
INTEREST SYNCHRONIZATION - FPSC	PARENT DEBT ADJUSTMENT						(9,320,605)				(9,320,605)	9,320,605
Total FPSC Adjustments (2,643,933,937) (2,013,782,857) (163,391,347) (158,565,697) (204,942,042) (37,754,154) (538,702) (2,578,974,798) (64,959) (6	DIRECTORS & OFFICERS PREMIUM			(1,574,827)			607,490				(967,338)	967,338
FPSC Adjusted 1,916,134,353 12,230,307 577,643,160 282,472,929 112,638,726 153,501,383 130,316,127 (1,187,579) (538,702) 1,267,076,350 649,058	INTEREST SYNCHRONIZATION - FPSC						11,188,104				11,188,104	(11,188,104)
Pro Forma Adjustments	Total FPSC Adjustments	(2,643,933,937)	(2,013,782,857)	(163,391,347)	(158,565,697)	(204,942,042)	(37,754,154)			(538,702)	(2,578,974,798)	(64,959,139)
Weather Normalization (2,329,354) (898,548) (898,548) (898,548) (1,430) Total Pro Forma Adjustments (2,329,354) (898,543) (898,548) (898,548) (898,548) (1,430) Pro Forma Adjusted \$1,913,804,999 \$12,230,307 \$577,643,160 \$282,472,929 \$112,638,726 \$152,602,834 130,316,127 (1,187,579) (538,702) \$1,266,177,802 \$647,627 Current Month System Per Books \$520,981,541 \$231,645,953 \$69,899,533 \$47,589,224 \$31,321,072 \$119,126,352 (70,370,506) (108,916) \$429,102,711 \$91,878 FPSC Adjusted \$205,695,819 \$43,545,353 \$29,857,368 \$10,022,240 \$101,294,275 (59,836,714) (98,964) (39,607) \$124,743,952 \$80,951 (a) The addition of earnings from AFUDC charges would increase the System NOI by 6,371,607 pretax Increase	FPSC Adjusted	1,916,134,353	12,230,307	577,643,160	282,472,929	112,638,726	153,501,383	130,316,127	(1,187,579)	(538,702)	1,267,076,350	649,058,003
Total Pro Forma Adjustments (2,329,354) (898,548) (898,548) (1,430 Pro Forma Adjusted \$1,913,804,999 \$12,230,307 \$577,643,160 \$282,472,929 \$112,638,726 \$152,602,834 \$130,316,127 \$(1,187,579) \$(538,702) \$1,266,177,802 \$647,627 \$10,000 Pro Forma Adjusted \$1,913,804,999 \$12,230,307 \$577,643,160 \$282,472,929 \$112,638,726 \$152,602,834 \$130,316,127 \$(1,187,579) \$(538,702) \$1,266,177,802 \$647,627 \$10,000 Pro Forma Adjusted \$1,913,804,999 \$12,230,307 \$577,643,160 \$282,472,929 \$112,638,726 \$152,602,834 \$130,316,127 \$(1,187,579) \$(538,702) \$1,266,177,802 \$647,627 \$10,000 Pro Forma Adjusted \$1,913,804,999 \$12,230,307 \$12,643,160 Pro Forma Adjusted \$1,913,804,999 \$12,230,307 \$112,638,720 \$112,638,720 \$119,126,352 \$119,126	Pro Forma Adjustments											
Pro Forma Adjusted \$1,913,804,999 \$12,230,307 \$577,643,160 \$282,472,929 \$112,638,726 \$152,602,834 130,316,127 (1,187,579) (538,702) \$1,266,177,802 \$647,627	Weather Normalization	(2,329,354)					(898,548)				(898,548)	(1,430,806)
Current Month \$520,981,541 \$231,645,953 \$69,899,533 \$47,589,224 \$31,321,072 \$119,126,352 (70,370,506) (108,916) \$429,102,711 \$91,878 FPSC Adjusted \$205,695,819 \$43,545,353 \$29,857,368 \$10,022,240 \$101,294,275 (59,836,714) (98,964) (39,607) \$124,743,952 \$80,951 (a) The addition of earnings from AFUDC charges would increase the System NOI by 6,371,607 pretax	Total Pro Forma Adjustments	(2,329,354)					(898,548)				(898,548)	(1,430,806)
System Per Books \$520,981,541 \$231,645,953 \$69,899,533 \$47,589,224 \$31,321,072 \$119,126,352 (70,370,506) (108,916) \$429,102,711 \$91,878 FPSC Adjusted \$205,695,819 \$43,545,353 \$29,857,368 \$10,022,240 \$101,294,275 (59,836,714) (98,964) (39,607) \$124,743,952 \$80,951 (a) The addition of earnings from AFUDC charges would increase the System NOI by 6,371,607 pretax	Pro Forma Adjusted	\$1,913,804,999	\$12,230,307	\$577,643,160	\$282,472,929	\$112,638,726	\$152,602,834	130,316,127	(1,187,579)	(538,702)	\$1,266,177,802	\$647,627,198
System Per Books \$520,981,541 \$231,645,953 \$69,899,533 \$47,589,224 \$31,321,072 \$119,126,352 (70,370,506) (108,916) \$429,102,711 \$91,878 FPSC Adjusted \$205,695,819 \$43,545,353 \$29,857,368 \$10,022,240 \$101,294,275 (59,836,714) (98,964) (39,607) \$124,743,952 \$80,951 (a) The addition of earnings from AFUDC charges would increase the System NOI by 6,371,607 pretax	Current Month											
FPSC Adjusted \$205,695,819 \$43,545,353 \$29,857,368 \$10,022,240 \$101,294,275 (59,836,714) (98,964) (39,607) \$124,743,952 \$80,951	System Per Books	\$520,981,541	\$231,645,953	\$69,899,533	\$47,589,224	\$31,321,072	\$119,126,352	(70,370,506)	(108,916)		\$429,102,711	\$91,878,830
								-	• •	(39,607)		\$80,951,867
	(2)	The addition of car	nings from AELID	C charges would	increase the Su	stom NOI by		6 271 607	nrotay			
(h) The addition of earnings from AFTIDS charges would increase the furisdictional MOI by 420 A20 Arctay						,	hv.	5,308,630				

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	619,591	619,591
	ECCR	F	(42,061,390)	(42,061,390)
	ECRC	F	(587,826,950)	(545,497,455)
	FUEL	F	201,148,779	201,215,350
	CCR	F	(41,771,921)	(41,771,921)
	NUCLEAR	F	(437,472,707)	(434,466,720)
	CR3 Removal	F	(1,263,720,403)	(1,263,720,403)
	Derivatives	F	7,144,878	7,144,878
	Employee Related	F	(1,562,598)	(1,563,262)
	Investments Earning a Return	F	(131,378,514)	(126,503,475)
	Jobbing Accounts	F	(1,636,903)	(1,636,903)
	Non-Regulated and Miscellaneous	F	27,409,840	27,409,840
	Rate Case Regulatory Asset	F	(41,662)	(41,662)
	Retention Accounts	F	3,060,522	2,726,711
(1)	CWIP - AFUDC	F	(26,698,289)	(20,104,137)
(3)	Imputed Off Balance Sheet Obligations	F	842,114,000	782,197,589
(2)	Capital Lease - EPIS	F	(178,060,905)	(165,990,156)
(2)	Capital Lease - Working Capital	F	177,063,608	165,060,466
	Total		(1,453,671,025)	(1,456,983,059)

			Syst	tem	Reta	ail
Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,973,698)	2,304,354	(5,973,698)	2,304,354
	ECRC	F	(59,298,538)	22,874,411	(60,543,807)	23,354,774
	FUEL	F	(16,904,568)	6,520,937	(16,904,568)	6,520,937
	CCR	F	(0)	0	(0)	0
	NUCLEAR	F	(18,454,032)	7,118,643	(18,460,860)	7,121,277
(2)	CORPORATE AIRCRAFT ALLOCATION	F	3,106,737	(1,198,424)	2,896,131	(1,117,182)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(207,401,265)	80,005,038	(207,401,265)	80,005,038
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	200,768,240	(77,446,349)	200,768,240	(77,446,349)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	579,967	(223,722)	538,702	(207,804)
(1)	INST./PROMOTIONAL ADVERTISING	F	317,017	(122,289)	295,526	(113,999)
(1)	INTEREST ON TAX DEFICIENCY	F	574,356	(221,558)	535,420	(206,538)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(151,983)	58,627	(141,680)	54,653
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	111,283	(42,927)	103,739	(40,017)
(2)	PARENT DEBT ADJUSTMENT	F		9,320,605		9,320,605
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,689,348	(651,666)	1,574,827	(607,490)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(11,188,104)		(11,188,104)
	Total		(101,037,137)	37,107,577	(102,713,293)	37,754,154

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI

⁽²⁾ Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI

⁽³⁾ Docket No. 130208-EI, Order No. PSC 13-0598-FOF-EI

	Plant in Service	Accum Depr & Amort	Net Plant in Service	Future Use & Appd Unrecov Plant	Const Work in Progress	Net Utility Plant	Working Capital	Total Period End Rate Base
System Per Books	13,756,054,623	5,101,194,276	8,654,860,346	120,899,848	327,292,395	9,103,052,589	2,327,633,272	11,430,685,861
Regulatory Base - Retail	12,458,047,313	4,691,566,067	7,766,481,247	104,803,242	275,839,518	8,147,124,007	2,405,462,430	10,552,586,437
FPSC Adjustments								
ARO	(16,841,368)	(30,340,446)	13,499,078			13,499,078	(10,873,554)	2,625,524
ECCR	(40,008,488)	(4,759,536)	(35,248,952)		(7,528,789)	(42,777,741)	1,476,403	(41,301,338)
ECRC	(135,796,700)	(5,273,673)	(130,523,028)		(11,194,917)	(141,717,945)	(20,333,465)	(162,051,409)
FUEL	(28,969,387)	(28,101,073)	(868,314)			(868,314)	202,084,431	201,216,117
CCR		,	,			,	(41,771,921)	(41,771,921)
NUCLEAR					(42,041,385)	(42,041,385)	(395,224,117)	(437,265,502)
CR3 Removal							(1,263,720,403)	(1,263,720,403)
Derivatives							7,144,878	7,144,878
Employee Related							(1,563,262)	(1,563,262)
Investments Earning a Return							(126,503,475)	(126,503,475)
Jobbing Accounts							(1,636,903)	(1,636,903)
Non-Regulated and Miscellaneous	(30,257,750)	(32,956,464)	2,698,715			2,698,715	25,131,021	27,829,736
Rate Case Regulatory Asset							(41,662)	(41,662)
Retention Accounts							2,726,711	2,726,711
CWIP - AFUDC					(38,849,409)	(38,849,409)		(38,849,409)
Imputed Off Balance Sheet Obligations						-	782,197,589	782,197,589
Capital Lease	(159,062,135)		(159,062,135)			(159,062,135)	165,060,466	5,998,331
Total FPSC Adjustments	(410,935,828)	(101,431,192)	(309,504,636)		(99,614,500)	(409,119,136)	(675,847,263)	(1,084,966,399)
FPSC Adjusted	12,047,111,485	4,590,134,875	7,456,976,610	104,803,242	176,225,018	7,738,004,871	1,729,615,168	9,467,620,038

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	4,855,128,087	2,093,700,356	829,677,095	471,538,413			142,942,939	,		4,075,282,699	779,845,388
Regulatory Base - Retail (b)	4,560,068,291	2,026,013,164	741,034,507	441,038,625	317,580,768	191,255,536	130,316,127	(1,187,579)		3,846,051,148	714,017,142
FPSC Adjustments											
ECCR	(121,337,260)		(111,772,124)	(3,591,438)		(2,304,354)				(117,667,916)	(3,669,344)
ECRC	(118,676,151)		(44,779,508)	(9,179,034)	(4,173,802)	(23,354,774)				(81,487,118)	(37,189,034)
FUEL	(1,674,649,549)	(1,656,712,016)	(1,032,966)			(6,520,937)				(1,664,265,919)	(10,383,631)
CCR	(357,310,665)	(357,070,841)	(239,824)			(0)				(357,310,665)	(0)
NUCLEAR	(164,559,047)		(302,962)	(145,795,225)		(7,121,277)				(153,219,463)	(11,339,584)
CORPORATE AIRCRAFT ALLOCATION			(2,896,131)			1,117,182				(1,778,948)	1,778,948
FRANCHISE FEE & GROSS RECEIPTS	(207,401,265)					(80,005,038)				(80,005,038)	(127,396,227)
FRANCHISE FEES & GROSS REC TAX - TOI					(200,768,240)	77,446,349				(123,321,891)	123,321,891
GAIN/LOSS ON DISPOSITION & OTHER						207,804			(538,702)	(330,898)	330,898
INST./PROMOTIONAL ADVERTISING			(295,526)			113,999				(181,527)	181,527
INTEREST ON TAX DEFICIENCY			(535,420)			206,538				(328,882)	328,882
MISCELLANEOUS INTEREST EXPENSE			141,680			(54,653)				87,027	(87,027)
REMOVE ASSOC/ORGANIZATION DUES			(103,739)			40,017				(63,722)	63,722
PARENT DEBT ADJUSTMENT						(9,320,605)				(9,320,605)	9,320,605
DIRECTORS & OFFICERS PREMIUM			(1,574,827)			607,490				(967,338)	967,338
INTEREST SYNCHRONIZATION - FPSC			-			11,188,104				11,188,104	(11,188,104)
Total FPSC Adjustments	(2,643,933,937)	(2,013,782,857)	(163,391,347)	(158,565,697)	(204,942,042)	(37,754,154)			(538,702)	(2,578,974,798)	(64,959,139)
FPSC Adjusted	1,916,134,353	12,230,307	577,643,160	282,472,929	112,638,726		130,316,127	(1,187,579)	(538,702)		649,058,003
-											
(a)	The addition of earr	nings from AFUDO	charges would	l increase the S	ystem NOI by		6,371,607	pretax			
	The addition of earr					OI by	5,308,630	pretax			
		-	-			,		-			

Notes	Rate Base Adjustments	P=ProForma F=FPSC	System	Retail
	ARO	F	2,625,524	2,625,524
	ECCR	F	(41,301,338)	(41,301,338)
	ECRC	F	(176,423,259)	(162,051,409)
	FUEL	F	201,149,604	201,216,117
	CCR	F	(41,771,921)	(41,771,921)
	NUCLEAR	F	(440,485,876)	(437,265,502)
	CR3 Removal	F	(1,263,720,403)	(1,263,720,403)
	Derivatives	F	7,144,878	7,144,878
	Employee Related	F	(1,562,598)	(1,563,262)
	Investments Earning a Return	F	(131,378,514)	(126,503,475)
	Jobbing Accounts	F	(1,636,903)	(1,636,903)
	Non-Regulated and Miscellaneous	F	27,829,736	27,829,736
	Rate Case Regulatory Asset	F	(41,662)	(41,662)
	Retention Accounts	F	3,060,522	2,726,711
(1)	CWIP - AFUDC	F	(48,721,600)	(38,849,409)
(3)	Imputed Off Balance Sheet Obligations	F	842,114,000	782,197,589
(2)	Capital Lease - EPIS	F	(170,629,081)	(159,062,135)
(2)	Capital Lease - Working Capital	F	177,063,608	165,060,466
	Total		(1,056,685,283)	(1,084,966,399)

			Sys	tem	Reta	ail
Notes	Income Statement Adjustments (to NOI)	P=ProForma F=FPSC	Amount	Income Tax Effect	Amount	Income Tax Effect
	ECCR	F	(5,973,698)	2,304,354	(5,973,698)	2,304,354
	ECRC	F	(59,298,538)	22,874,411	(60,543,807)	23,354,774
	FUEL	F	(16,904,568)	6,520,937	(16,904,568)	6,520,937
	CCR	F	(0)	0	(0)	0
	NUCLEAR	F	(18,454,032)	7,118,643	(18,460,860)	7,121,277
(2)	CORPORATE AIRCRAFT ALLOCATION	F	3,106,737	(1,198,424)	2,896,131	(1,117,182)
(1)	FRANCHISE FEE & GROSS RECEIPTS	F	(207,401,265)	80,005,038	(207,401,265)	80,005,038
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	200,768,240	(77,446,349)	200,768,240	(77,446,349)
(1)	GAIN/LOSS ON DISPOSITION & OTHER	F	579,967	(223,722)	538,702	(207,804)
(1)	INST./PROMOTIONAL ADVERTISING	F	317,017	(122,289)	295,526	(113,999)
(1)	INTEREST ON TAX DEFICIENCY	F	574,356	(221,558)	535,420	(206,538)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	(151,983)	58,627	(141,680)	54,653
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	111,283	(42,927)	103,739	(40,017)
(2)	PARENT DEBT ADJUSTMENT	F		9,320,605		9,320,605
(2)	DIRECTORS & OFFICERS PREMIUM	F	1,689,348	(651,666)	1,574,827	(607,490)
(1)	INTEREST SYNCHRONIZATION - FPSC	F		(11,188,104)		(11,188,104)
	Total		(101,037,137)	37,107,577	(102,713,293)	37,754,154

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI

(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI

(3) Docket No. 130208-EI, Order No. PSC 13-0598-FOF-EI

DUKE ENERGY FLORIDA Average - Capital Structure Pro Forma Adjusted Basis August 2014

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Сар	Low	-Point	Mid-	Point	High	n-Point
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	4,870,375,698	4,499,570,459	(1,052,820,766)	840,550,471	4,287,300,164	47.73%	9.50%	4.53%	10.50%	5.01%	11.50%	5.49%
Long Term Debt	4,756,683,888	4,394,534,555	(1,028,244,202)		3,366,290,353	37.48%	5.17%	1.94%	5.17%	1.94%	5.17%	1.94%
Short Term Debt *	(60,323,454)	(55,730,738)	13,040,018	137,369,362	94,678,642	1.05%	1.22%	0.01%	1.22%	0.01%	1.22%	0.01%
Customer Deposits												
Active	211,628,469	211,628,469	(49,517,359)		162,111,110	1.80%	2.26%	0.04%	2.26%	0.04%	2.26%	0.04%
Inactive	1,585,672	1,585,672	(371,020)		1,214,653	0.01%						
Investment Tax Credits **	1,518,952	1,403,307	(328,349)		1,074,958	0.01%						
Deferred Income Taxes	1,717,965,669	1,587,168,640	(371,369,694)	7,734,126	1,223,533,072	13.62%						
FAS 109 DIT - Net	(217,304,561)	(200,760,114)	46,974,354		(153,785,760)	-1.71%						
-	Total 11,282,130,334	10,439,400,250	(2,442,637,018)	985,653,959	8,982,417,191	100.00%		6.52%		7.00%		7.48%
* Daily Waighted Average												
Daily Weighted Average** Cost Rates Calculated Post												

DUKE ENERGY FLORIDA End of Period - Capital Structure Pro Forma Adjusted Basis August 2014

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap	Lov	v-Point	Mid	-Point	Higl	h-Point
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,072,743,405	4,653,071,135	(982,508,767)	824,391,612	4,494,953,980	47.48%	9.50%	4.51%	10.50%	4.99%	11.50%	5.46%
Long Term Debt	4,879,895,985	4,476,178,142	(945,157,325)		3,531,020,818	37.30%	5.04%	1.88%	5.04%	1.88%	5.04%	1.88%
Short Term Debt *	(209,462,269)	(192,133,282)	40,569,471	298,356,341	146,792,530	1.55%	1.22%	0.02%	1.22%	0.02%	1.22%	0.02%
Customer Deposits												
Active	213,846,034	213,846,034	(45,154,178)		168,691,856	1.78%	2.24%	0.04%	2.24%	0.04%	2.24%	0.04%
Inactive	1,386,007	1,386,007	(292,659)		1,093,348	0.01%						
Investment Tax Credits **	861,180	789,933	(166,797)		623,137	0.01%						
Deferred Income Taxes	1,740,578,753	1,596,579,229	(337,122,095)	20,493,295	1,279,950,429	13.52%						
FAS 109 DIT - Net	(214,910,486)	(197,130,763)	41,624,703		(155,506,060)	-1.64%						
Total	11,484,938,611	10,552,586,437	(2,228,207,647)	1,143,241,248	9,467,620,038	100.00%		6.45%		6.92%		7.40%
* Daily Weighted Average												
** Cost Rates Calculated Per I	RS Ruling											

DUKE ENERGY FLORIDA Average - Capital Structure FPSC Adjusted Basis August 2014

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Сар	Low-Point		Mid-Point		High-Point	
l [Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	4,870,375,698	4,499,570,459	(1,052,820,766)	840,550,471	4,287,300,164	47.73%	9.50%	4.53%	10.50%	5.01%	11.50%	5.49%
Long Term Debt	4,756,683,888	4,394,534,555	(1,028,244,202)		3,366,290,353	37.48%	5.17%	1.94%	5.17%	1.94%	5.17%	1.94%
Short Term Debt *	(60,323,454)	(55,730,738)	13,040,018	137,369,362	94,678,642	1.05%	1.22%	0.01%	1.22%	0.01%	1.22%	0.01%
Customer Deposits												
Active	211,628,469	211,628,469	(49,517,359)		162,111,110	1.80%	2.26%	0.04%	2.26%	0.04%	2.26%	0.04%
Inactive	1,585,672	1,585,672	(371,020)		1,214,653	0.01%						
Investment Tax Credits **	1,518,952	1,403,307	(328,349)		1,074,958	0.01%						
Deferred Income Taxes	1,717,965,669	1,587,168,640	(371,369,694)	7,734,126	1,223,533,072	13.62%						
FAS 109 DIT - Net	(217,304,561)	(200,760,114)	46,974,354		(153,785,760)	-1.71%						
Total	11,282,130,334	10,439,400,250	(2,442,637,018)	985,653,959	8,982,417,191	100.00%		6.52%		7.00%		7.48%
* Daily Weighted Average												
** Cost Rates Calculated Pe	r IRS Ruling											

DUKE ENERGY FLORIDA End of Period - Capital Structure FPSC Adjusted Basis August 2014

	System Per	Retail Per	Pro Rata	Specific	Adjusted	Cap Low-Point		v-Point	Mid-Point		High-Point	
	Books	Books	Adjustments	Adjustments	Retail	Ratio	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	5,072,743,405	4,653,071,135	(982,508,767)	824,391,612	4,494,953,980	47.48%	9.50%	4.51%	10.50%	4.99%	11.50%	5.46%
Long Term Debt	4,879,895,985	4,476,178,142	(945,157,325)		3,531,020,818	37.30%	5.04%	1.88%	5.04%	1.88%	5.04%	1.88%
Short Term Debt *	(209,462,269)	(192,133,282)	40,569,471	298,356,341	146,792,530	1.55%	1.22%	0.02%	1.22%	0.02%	1.22%	0.02%
Customer Deposits												
Active	213,846,034	213,846,034	(45,154,178)		168,691,856	1.78%	2.24%	0.04%	2.24%	0.04%	2.24%	0.04%
Inactive	1,386,007	1,386,007	(292,659)		1,093,348	0.01%						
Investment Tax Credits **	861,180	789,933	(166,797)		623,137	0.01%						
Deferred Income Taxes	1,740,578,753	1,596,579,229	(337,122,095)	20,493,295	1,279,950,429	13.52%						
FAS 109 DIT - Net	(214,910,486)	(197,130,763)	41,624,703		(155,506,060)	-1.64%						
Total	11,484,938,611	10,552,586,437	(2,228,207,647)	1,143,241,248	9,467,620,038	100.00%		6.45%		6.92%		7.40%
												_
* Daily Weighted Average												
** Cost Rates Calculated Per IRS Ruling												

A. TIMES INTEREST EARNED WITH A	FUDC	D. PERCENT INTERNALLY GENERATED FUNDS*		
EARNINGS BEFORE INTEREST AFUDC - DEBT INCOME TAXES TOTAL INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg	\$ 740,642,088 \$ 2,629,614 \$ 351,414,299 \$ 1,094,686,002	NET INCOME COMMON DIVIDENDS AFUDC (EQUITY) DEPRECIATION & AMORTIZATION DEFERRED INCOME TAXES	\$ 520,531,955 (225,000,000) (4,816,297) 463,225,492 419,991,038	
asset carrying charge) TIE WITH AFUDC	\$ 250,258,251 4.37	INVESTMENT TAX CREDITS DEFERRED FUEL NET	(1,307,001)	
B. TIMES INTEREST EARNED WITHOUT AFUDC		OTHER - INC NUCLEAR DECOMMISSIONING OTHER FUNDS - INCLUDING CHANGE IN WORKING CAPITAL	(113,331,134) (559,021,142)	
S. TIMES INTEREST EXIMISES WITHOUT	<u> </u>	TOTAL FUNDS PROVIDED	\$ 500,272,912	
EARNINGS BEFORE INTEREST AFUDC - EQUITY INCOME TAXES TOTAL	\$ 740,642,088 (3,741,993) 351,414,299 \$ 1,088,314,394	CONSTRUCTION EXPENDITURES (EXCLUDING AFUDC EQUITY & DEBT)	\$ 707,935,719	
INTEREST CHARGES (before deducting AFUDC-Debt & CR3 reg		PERCENTAGE INTERNALLY GENERATED FUNDS	70.67%	
asset carrying charge) TIE WITHOUT AFUDC	\$ 250,258,251 4.35	*Updated quarterly as of June 2014		
C. PERCENT AFUDC TO NET INCOME FOR COMMON SHAREHOLDERS	AVAILABLE	E. SHORT TERM DEBT/LONG TERM DEBT AS AS A A PERCENT OF TOTAL INVESTOR CAPITAL		
AFUDC DEBT LESS: DIT	\$ 2,629,614	Common Equity Preferred Stock	\$ 4,287,300,164 \$ -	
SUBTOTAL AFUDC -EQUITY TOTAL	\$ 2,629,614 \$ 3,741,993 \$ 6,371,607	Long Term Debt Short Term Debt TOTAL	\$ 3,366,290,353 \$ 94,678,642 \$ 7,748,269,159	
NET INCOME AVAILABLE FOR COMMON STOCKHOLDERS PERCENT AFUDC TO AVAILABLE NET INCOME	\$ 548,345,794 1.16%	% LONG TERM DEBT TO TOTAL % SHORT TERM DEBT TO TOTAL	43.45% 1.22%	
		F. FPSC ADJUSTED AVERAGE JURISDICTIONAL AND PROFORMA RETURN ON COMMON EQUITY	Pro Forma	FPSC
		FPSC AVERAGE		
		EARNED RATE OF RETURN LESS RETAIL WEIGHTED AVERAGE COST RATES FOR:	7.21%	7.23%
		LONG TERM DEBT SHORT TERM DEBT CUSTOMER DEPOSITS	1.94% 0.01% 0.04%	1.94% 0.01% 0.04%
		DEFERRED INCOME TAXES INVESTMENT TAX CREDITS DEFERRED INCOME TAX (FAS 109)		
		SUBTOTAL	1.99%	1.99%
		TOTAL	5.22%	5.24%
		DIVIDED BY COMMON EQUITY RATIO	47.73%	47.73%
		JURISDICTIONAL RETURN ON COMMON EQUITY	10.94%	10.97%